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SUBJECT: Defense Minister Strauss' Views on Federal Republic's Military Role

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In a number of recent public statements, Minister Strauss has expressed some interesting views on Germany's role in the western alliance and on the broader aspects of general, East-West power relationships as well. Of particular pertinence to Germany, Strauss in these public statements has emphasized (1) that the Federal Republic's future military role can never be more than that of a limited, specialized participant in a highly-integrated, multilateral defense system; (2) that this limited role applies not only to the Federal Republic's military forces but also to its military production and research activities; and (3) that the Federal Republic must meet its NATO force goals on schedule and play its full role in the alliance in order to retain the confidence and trust of the U.S.

Strauss gave his analysis of the current military situation in great detail in a brilliantly conceived and well-organized speech which he delivered before an assembly of the Association of Iron, Tin and Metal Industries (Wirtschaftsverband Eisen, Blech und Metall verarbeitende Industrie) in Bad Godesberg on April 9 but the text of which was just recently made public. In this speech, the Defense Minister discussed the evolution of the world balance of power in this century which has seen Europe - once the decisive voice in international political questions - decline to the role of a "Junior partner". An important factor in this evolution - and one of the greatest dangers of the world today - is the advancement of military technology which has brought about a situation whereby it is only a matter of a short time before either side will be able to attack with nuclear weapons any point on the globe in a matter of hours. Yet, said Strauss, the danger today lies not so much in the possibility that one side or the other will deliberately use such weapons ("each side becomes more careful as its power grows"), but in the possibility of being blackmailed by their threatened use. Whoever either lacks the determination or the means to fight a nuclear conflict is vulnerable to such political blackmail.

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Thus, said Strauss, the maintenance of a high state of nuclear readiness is a necessity, although such a course requires as great an effort as actually fighting a war required some years ago. It is in these circumstances, Strauss went on, that the Bundeswehr is being established - circumstances quite distinct from those prevailing when the German armies of World Wars I and II were established. In those days, Germany was the center of power, having an autonomous army and an autonomous armaments industry. When one considers that even a re-united Germany today could be traversed in 10 to 20 minutes by a modern fighter-bomber or in 2 to 5 minutes by missiles, it becomes quite obvious that as a result of modern weapons developments, the establishment of balanced national armies make no sense for Germany or any other European state. The maintenance of a series of autonomous national forces in Europe, said Strauss, is not only unworkable but involves an expenditure of economic resources completely out of relationship to the value of such a defense system.

That the same reasoning applies to armaments production and military research and development, according to the Defense Minister, can be demonstrated by a comparison of the costs of modern weapons with those used in World War II. A modern fighter interceptor, for example, is roughly 30-times the cost of an ME-109, one of Germany's best fighter aircraft of that period. He said the Federal Republic is convinced that in this area too it will be possible to work out a framework in which the burden could be shared so that not one country alone would produce all the armaments but also so that all of the European countries would not produce the same things. If the Federal Republic is to participate in such multilateral production arrangements, however, Strauss said ("for the benefit of those who look at the future through political glasses") the Federal Republic will have to be in a position itself to offer something in the way of military developments for there can be no mutual organization between "a beggar and a producer".

Since returning from his recent U.S. visit, Strauss has on a number of occasions emphasized Germany's military role much in the same terms as outlined in his April 9 speech to the industrialists but with particular stress on the armaments production aspects. In the latter connection, however, his post-U.S. visit talks while still espousing the cause of multilateral production schemes have been somewhat more negative in tone, stressing that German industry would actually produce or participate in production of only a limited number of items with the bulk of modern weapons to be procured outright from the U.S. In the same context, he also said that on the basis of impressions gained during his U.S. trip he was convinced that U.S. confidence in the Federal Republic, heretofore based largely on the person and policies of Chancellor Adenauer, would be deeply affected if the Federal Republic did not fulfill its military obligations on schedule.

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The faithful build-up of the Bundeswehr on schedule, Strauss described as "the beginning and the end of our relations with the U.S." He added, however, that in building up the German military establishment, the Defense Ministry would continue its policy of buying the best available, carefully adding that by "available", he meant items in production, not on the drawing boards.

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Comments . (Begin CONFIDENTIAL)

For Strauss, who has for some time been advocating and urging more defense production in the Federal Republic and who in other respects is often considered as one of the more nationalistic members of the cabinet, to now make such a strong appeal for greater European integration both in terms of military forces and production efforts is perhaps indicative of a growing realization that a highly integrated defense system is the only reasonable solution to Germany's defense and, moreover, that the Federal Republic is going to have to push hard to achieve it. This is not to say that this realization has hit the Bonn Government like a bolt of lightning. The Federal Republic's geographic situation has long since made this self-evident. Earlier, however, there was no feeling of urgency and in fact there was, for a time, even some resistance of the process in some cases where national financial interests prevailed (e.g. NATO Supply Agency) as well as attempts to work out arrangements outside the NATO framework (e.g. FIG). In recent months, however, largely through a self-evaluation of their strength brought about by the Berlin crisis, the Germans have become painfully aware of their own military inadequacy and particularly of the importance of integrated air defense and of their reliance on their neighboring countries for war reserves storage. Secondly, the re-birth of French nationalism and De Gaulle's aspiration of re-making France into a world power even at the expense of NATO integration, has caused many Germans to fear that the whole NATO integration process was in danger of being junked - a fear which has made their desire to proceed promptly with integration stronger than ever.

Strauss' renunciation of any ambition to establish an autonomous armaments industry in the Federal Republic also has its interesting aspects, particularly in relation to his later statement that most of the Federal Republic's modern weapons requirements would be procured in the U.S. "except where common production is feasible". It must be borne in mind that these remarks came on the heels of a period when the Federal Republic's efforts to obtain approval to produce certain weapons were meeting resistance (or at least Strauss considered it resistance) in the WEU and at a time when the Hawk deal - where the Federal Republic was on the receiving end of some rough treatment

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from the French--was being buttoned up. In this connection, the reporting officer has more than once run across the attitude in the Defense Ministry that had the Federal Republic threatened to pull out of the Hawk group and procure Hawk direct from the United States, the French, in the realization that the Hawk group could not succeed without German participation, would not have driven such a hard bargain. It may be that this line of thinking is growing in the Defense Ministry, and ✓Strauss while expressing a clear interest in common production efforts was at the same time giving his European partners a subtle hint that the Federal Republic could just as well obtain its weapons requirements by direct purchase from the United States. As a practical matter, while the Defense Ministry may resort to such a policy in the short run as a tactic or to cover immediate needs, there is every reason to believe--and, in fact, Defense Ministry officials have on occasion privately said so--that they would not consider complete reliance on the United States as a satisfactory long-term solution. Aside from the political factors involved, from a purely economic point of view, they point out that the necessity for setting up maintenance and repair facilities, stocking of sufficient spare parts, etc. would be almost as expensive as setting up their own production facilities.

Strauss' statement made in the course of a recent TV interview (where he also emphasized the need for greater integrated defenses) that Germany's buildup must proceed at schedule to retain the confidence of the United States, is indicative of a growing awareness of a general feeling held outside of Germany that the Federal Republic is not doing all it could in terms of its defense contribution. Finance Minister Etzel touched on the same theme some weeks ago in a speech on the Federal budget and tax policy in which he stated that eventually taxes may have to be raised since the Federal Republic would have to make a defense contribution comparable in terms of percentage of GNP to the defense efforts of other important members of the Alliance. Perhaps sensing that the population and the Bundestag are becoming too accustomed to the low defense expenditure rate, which up until now has been the rule, it is likely that both Strauss and Etzel have seen fit to take advantage of the growing acceptance of a German defense machine (indicated by a recent "Die Welt" poll showing an overwhelming majority in both major parties favoring German defense contribution) to drive home the point that a greater German defense effort is expected by its allies and that increased defense expenditures may well eventually result in a greater tax burden. It may also be indicative of progress that the question of arming the Bundeswehr with atomic weapons has become an issue of secondary importance (as indicated by the fact that the announcement of the signing of the U.S.-German agreement on providing atomic information caused scarcely a ripple in the German press) and that the Defense Ministry can now concentrate on where and how its modern weapons requirements should be procured and utilized.

For the Charge d'Affaires a.i.

Henry J. Tasca

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Minister for Economic Affairs

COORD: in final draft
FCL - Mr. Gilman

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